

## Message Text

LIMITED OFFICIAL USE

PAGE 01 CANBER 07673 220713Z

12

ACTION EB-07

INFO OCT-01 EA-06 ISO-00 RSC-01 SSO-00 /015 W

----- 069760

O 220613Z NOV 74

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC IMMEDIATE 4551

INFO AMCONSUL SYDNEY

LIMITED OFFICIAL USE CANBERRA 7673

STADIS////////////////////////////////////

E.O. 11652: N/A

TAGS: BCOM, BEXP, AS

SUBJ: TRADE CENTER CLOSING

REF: STATE 257415

1. THIS IS JOINT EMBASSY/CONGEN ASSESSMENT OF POLITICAL AND ECONOMIC IMPACT OF CLOSING SYDNEY TRADE CENTER IN FY 76, PER REQUEST REFTEL.

2. ECONOMIC EFFECT WOULD BE SERIOUS REDUCTION IN LEVEL AND IMPACT OF U.S. TRADE PROMOTION PROGRAM IN AUSTRALIA. TRADE CENTER ACTIVITIES ARE IMPORTANT ELEMENT IN MOST MISSION-WIDE CCP PROMOTIONAL CAMPAIGNS FOR INDIVIDUAL PRODUCT GROUPS. WHILE CAMPAIGNS WOULD CONTINUE, LOSS OF TRADE CENTER FACILITIES WOULD SHARPLY REDUCE THEIR EFFECTIVENESS. ECONOMIC EFFECT OF CLOSURE ON AUSTRALIA WOULD BE MINOR. TRADE CENTER WAS ESTABLISHED TO SERVE U.S., NOT AUSTRALIAN, ECONOMY.

3. CENTRAL CONTINUING PROBLEM OF U.S. EXPORT PROMOTION IN AUSTRALIA IS SEVERE THIRD COUNTRY COMPETITION. OUR MAJOR COMPETITORS, JAPAN, U.K., GERMANY AND CANADA, CONDUCT HEAVY PROMOTIONAL PROGRAM. JAPAN MAINTAINS TWO TRADE CENTERS WHILE U.K., GERMANY AND CANADA HAVE WELL-FINANCED PROGRAMS FOR SOLO EXHIBITS AND TRADE SHOW PARTICIPATION RATHER THAN MAINTAIN PERMANENT TRADE CENTERS. USSR NOW EXPANDING SYDNEY CONGEN WHICH

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 CANBER 07673 220713Z

WILL INCLUDE 3 FOREIGN TRADE OFFICERS AND OCCUPY 7-STORY

BUILDING NOW UNDER CONSTRUCTION WITH AMPLE SPACE FOR POSSIBLE TRADE CENTER. PRC DETAILED PLANS NOT KNOWN, BUT INCREASED TRADE PROMOTION EFFORT EXPECTED AS FOLLOW-UP TO RECENT INTRODUCTORY PRC TRADE EXHIBITION, AND AS PART OF EXPANDING AUSTRALIA-PRC COMMERCIAL RELATIONS. IF USTC CLOSED, DEFENSE OF U.S. COMPETITIVE POSITION WOULD REQUIRE SUBSTANTIAL NEW PROGRAM OF SPECIAL TRADE PROMOTION EVENTS TO OFFSET LOSS OF TRADE CENTER PROGRAM.

4. U.S. BUSINESS COMMUNITY IN AUSTRALIA AND AUSTRALIAN AGENTS AND REPS OF U.S. EXPORTERS WOULD INEVITABLY VIEW CLOSURE OF USTC AS EVIDENCE OF DIMINISHED U.S. COMMERCIAL INTEREST IN AUSTRALIA AND REVERSAL OF COMMITMENT TO SPECIAL EMPHASIS ON FOREIGN SERVICE COMMERCIAL PROGRAM ANNOUNCED IN 1973.

5. MANY AUSTRALIAN OBSERVERS WOULD INTERPRET CLOSURE AS LOSS OF INTEREST IN AUSTRALIAN ECONOMY AND MARKET AND, COMING ON HEELS OF WIDELY-DEPLORED CLOSURE OF U.S. TRAVEL SERVICE IN AUSTRALIA EARLY IN 1973, WOULD VIEW IT AS FURTHER MOVE TOWARD U.S. WITHDRAWAL. SUCH WITHDRAWAL WOULD APPEAR ANOMALOUS IN CONTEXT GENERAL U.S. SENTIMENT FOR CLOSE ECONOMIC RELATIONSHIPS, LARGE EXISTING U.S. INVESTMENT, AND GRATIFYING RECENT TREND TOWARD MORE RECEPTIVE GOA ATTITUDE RESPECTING U.S. INVESTMENT AND BUSINESS ACTIVITY (LATTER EXEMPLIFIED BY RECENT U.S. VISIT OF DEPRIMIN CAIRNS). IN SHORT RUN, AUSTRALIAN TRADE POLICY PENDULUM NOW SWINGING TOWARD PROTECTION FOLLOWING 18 MONTHS OF DRAMATIC LIBERALIZATION. IF POLICY STILL IN PROTECTIVE PHASE WHEN TRADE CENTER CLOSED, NEGATIVE POLITICAL IMPACT DESCRIBED ABOVE MIGHT BE PARTLY OFFSET BY WELCOME FOR REDUCED IMPORT COMPETITION. BUT SUSTAINED U.S. EXPORT PROMOTION ESPECIALLY DESIRABLE DURING SUCH PROTECTIVE SWING. INFORMED AUSTRALIAN OBSERVERS WOULD REGRET LOSS OF U.S. TECHNOLOGY EXHIBITS WHICH HAVE DOMINATED TRADE CENTER PROGRAM.

6. FOR SEVERAL YEARS USG HAS PLACED STRONG EMPHASIS ON VIGOROUS TRADE PROMOTION AND HAS ASSURED BUSINESS COMMUNITY OF SUSTAINED HIGH PRIORITY COMMERCIAL EFFORT. A SUDDEN DECISION TO ABOLISH TRADE CENTER AT TIME U.S. MERCHANDISE DEFICIT INCREASING WOULD UNDERCUT THESE ASSURANCES AND CREATE GENERAL IMPRESSION THAT U.S. POLICY AND PROGRAM ERRATIC. WE SHOULD DEEPLY REGRET LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 CANBER 07673 220713Z

ANY DECISION TO CLOSE USTC AND HOPE COMMERCE APPEAL AGAINST OMB DECISION WILL SUCCEED.  
GREEN

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 22 NOV 1974  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** CollinP0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974CANBER07673  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740338-0577  
**From:** CANBERRA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19741121/aaaaarmw.tel  
**Line Count:** 110  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** STADIS  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** STADIS  
**Reference:** STATE 257415  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** CollinP0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 09 JUL 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <09 JUL 2002 by shawdg>; APPROVED <21 MAR 2003 by CollinP0>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** TRADE CENTER CLOSING  
**TAGS:** BEXP, AS  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005